



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-872)

Non-Oriented Electrical Steel from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) preliminarily determines that non-oriented electrical steel (NOES) from the Republic of Korea (Korea) is being sold, or is likely to be sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is July 1, 2012, through June 30, 2013. The estimated weighted-average dumping margins are listed in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dmitry Vladimirov, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0665.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The merchandise subject to this investigation consists of non-oriented electrical steel (NOES), which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils,

regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term “substantially equal” means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B_{800} value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.

NOES is subject to this investigation whether it is fully processed (*i.e.*, fully annealed to develop final magnetic properties) or semi-processed (*i.e.*, finished to final thickness and physical form but not fully annealed to develop final magnetic properties). Fully processed NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of this investigation is not limited to merchandise meeting the ASTM, JIS, and IEC specifications noted immediately above.

NOES is sometimes referred to as cold-rolled non-oriented (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO) electrical steel. These terms are interchangeable.

Excluded from the scope of this investigation are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the Harmonized Tariff

Schedule of the United States (HTSUS) as a part (*i.e.*, lamination) for use in a device such as a motor, generator, or transformer.

The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the HTSUS. Subject merchandise may also be entered under subheadings 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Scope Comments

For a complete discussion of scope comments received from interested parties and changes the Department made to the scope of the investigation, *see* Preliminary Decision Memorandum.¹ The “Scope of Investigation” section above reflects all changes.

Postponement of the Preliminary Determination

On February 28, 2014, AK Steel Corporation (the petitioner) made a timely request for a 50-day postponement of the preliminary determinations for this and the other concurrent NOES LTFV investigations, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(b)(2) and (e).² On March 5, 2014, we published our notice of postponement of the preliminary determination by 50 days in accordance with sections 733(c)(1)(A) and (2) of the Act and 19

¹ See the “Decision Memorandum for the Preliminary Affirmative Determination in the Less-Than-Fair-Value Investigation of Non-Oriented Electrical Steel from the Republic of Korea,” from Gary Taverman, Senior Advisor, Enforcement and Compliance, to Ronald K. Lorentzen Acting Assistant Secretary for Enforcement and Compliance, dated concurrently with this determination and hereby adopted by this notice (Preliminary Decision Memorandum).

² See letter from the petitioner to the Secretary of Commerce, “Non-Oriented Electrical Steel from the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden and Taiwan: Request for Postponement of the Preliminary Determinations,” dated February 28, 2014.

CFR 351.205(f).³ As a result of the postponement and aforementioned tolling, the revised deadline for the preliminary determination of this investigation is now May 15, 2014.

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. Export price is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our determination, *see* the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is attached in an Appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <https://iaaccess.trade.gov>, and it is available to all parties in the Department's Central Records Unit, located at room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

As explained in the Preliminary Decision Memorandum, we determined that the mandatory respondents selected for individual examination in this investigation, POSCO and Daewoo International Corporation, constitute a single entity.

Preliminary Negative Determination of Critical Circumstances

On March 6, 2014, the petitioner filed a timely critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1). We preliminarily determine that

³ *See Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden and Taiwan: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 79 FR 13987 (March 12, 2014).

critical circumstances do not exist for imports of NOES from Korea. For a full description of the methodology and results of our analysis, *see* the Preliminary Decision Memorandum.

Preliminary Determination

The Department preliminarily determines that estimated weighted-average dumping margins exist at the following rates:

Producer or Exporter	Weighted-Average Dumping Margin
POSCO/Daewoo International Corporation	6.91 %
All Others	6.91 %

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding rates that are zero, *de minimis* or determined entirely under section 776 of the Act. The “All Others” rate is based on the estimated weighted-average dumping margin calculated for POSCO/Daewoo International Corporation, the only entity for which the Department calculated a rate.⁴

Disclosure and Public Comment

We will disclose the calculations performed to parties in this proceeding within five days after the date of publication of this notice in accordance with 19 CFR 351.224(b).

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁵ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this

⁴ See section 735(c)(5)(A) of the Act.

⁵ See 19 CFR 351.309.

proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs may respond only to arguments raised in case briefs and should identify the arguments to which it is responding. Interested parties who wish to comment on the preliminary determination must file briefs electronically using IA ACCESS.⁶ An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. on the date the document is due.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request using IA ACCESS within 30 days after publication of this preliminary determination in the *Federal Register*.⁷ An electronically filed hearing request must be received successfully in its entirety by IA ACCESS, by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.⁸ Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a hearing request is submitted, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties will be notified of the date, time, and location of any hearing.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of NOES from Korea as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

⁶ See 19 CFR 351.303 (for general filing requirements).

⁷ See 19 CFR 351.310(c)

⁸ *Id.*

Pursuant to section 733(d) of the Act and 19 CFR 351.205(d), we will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds export price, as indicated in the chart above, as follows:⁹ (1) the rate for the mandatory respondent listed above will be equal to the estimated weighted-average dumping margin that we determine in this preliminary determination; (2) if the exporter is not a mandatory respondent identified above in this investigation, but the producer is, the rate will be equal to the specific estimated weighted-average dumping margin established for the producer of the subject merchandise; and (3) the rate for all other producers or exporters will be the all others rate established in this preliminary determination. The suspension of liquidation instructions will remain in effect until further notice.

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to a request from POSCO/Daewoo International Corporation and in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e), in this investigation, we are postponing the final determination.¹⁰ Accordingly, we will issue our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act and 19 CFR 351.210(b)(2). Further, POSCO/Daewoo International Corporation requested to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months. The suspension of liquidation described above will be extended accordingly.

⁹ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

¹⁰ See letter from POSCO to the Secretary of Commerce, “Non-Oriented Electrical Steel from Korea: Request to Postpone the Final Determination” dated January 28, 2014.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we notified the International Trade Commission (ITC) of our preliminary affirmative determination of sales at LTFV. Because the preliminary determination in this proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of NOES from Korea before the later of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: May 15, 2014.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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[FR Doc. 2014-11902 Filed 05/22/2014 at 8:45 am; Publication Date: 05/23/2014]